

## **DEPARTMENTAL BUDGET INFORMATION**

### **DEPARTMENT OF TRANSPORTATION (20)**

#### **STATEMENT OF PURPOSE**

The Detroit Department of Transportation (DDOT) will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

The Detroit Department of Transportation mission is to provide public transit services that are reliable, clean, customer focused, fiscally responsible, safe and secure for metropolitan Detroit area residents.

#### **DESCRIPTION**

The Department of Transportation operates the bus system in the City of Detroit with a fleet of 541 coaches.

DDOT is the largest transit provider in the State of Michigan operating over 1,200 miles of routes and providing service to over 35 million passengers annually.

DDOT's primary facilities include the **Central Shop**, which is located at 1301 East Warren, and includes an administration building, a heavy repair facility, and plant maintenance building. DDOT also maintains three other satellite terminals with light repair garages and storage bays.

DDOT's active fleet consists of 541 fixed-route coaches, which serves 45 bus routes in the City of Detroit. The department maintains approximately 6,000 bus stops and 175 bus shelters.

DDOT provides ADA (Americans with Disabilities Act) complementary paratransit services for the elderly and disabled through Detroit MetroLift. Detroit MetroLift

operates approximately 47 lift-equipped paratransit vehicles and provides service to more than 650 passengers per day.

Additionally, DDOT provides administrative services to the Detroit Transportation Corporation (DTC), operator of the Detroit People Mover.

#### **MAJOR INITIATIVES FOR FY 2007-08**

DDOT's priority is to provide reliable, clean, safe, and customer focused transit services. DDOT is continuing the departmental reorganization that began in 2007-08 emphasizing: scheduling, operations, and maintenance efficiencies; cost savings; customer service; and increasing ridership and revenues.

The Strategic Planning Division will produce schedules that ensure efficient and reliable transportation service to area residents. The emphasis will be on meeting customer demand during peak service hours (e.g., rush hour). Service monitoring and Automated Vehicle Locator (AVL) technology will enable improved service planning and route design. The Operations Division will implement a new Transportation Operations System (TOS) that will improve the reliability of scheduled service by monitoring check-in, pull-out, and pull-in processes for Transportation Equipment Operators (TEO). In addition, Operations efforts will be focused on increasing the number of TEOs available to meet customer demand. Vehicle Maintenance is implementing an Enterprise Asset Management System, which will enable better management of vehicle maintenance and inventory. Training will be provided to mechanics to attain certification in transit vehicle repair. Vehicle Maintenance focus will be on

## **DEPARTMENTAL BUDGET INFORMATION**

### **DEPARTMENT OF TRANSPORTATION (20)**

ensuring vehicles are repaired timely and are available to meet customer demand for service.

Cost savings will be attained through better processes to reduce wasteful overtime in all areas of the department. Improved inventory management will reduce obsolescence costs and waste. Inventory storerooms will be consolidated to increase efficiency and reduce costs. Multifunctional equipment will replace fax machines, printers and copiers to reduce maintenance and supply costs. DDOT's Risk Management will be expanded to mitigate safety risks, review claims, and work to recover damages from parties at fault (e.g., insurance subrogation). DDOT will restructure the ADA-Paratransit service to ensure better service for eligible clients, while also reducing costs.

DDOT is adding new pass sales outlets for the convenience of our customers. The riding public will be able to purchase bus passes twenty-four hours a day seven days a week. In addition, DDOT will offer longer hours of operation (9:00 am to 9:00 pm) for sales at the new Rosa Parks Transit Center. Further, products available through DDOT's on-line store will be expanded. New fare media will be introduced in 2008 such as a five-day pass that starts when the passenger first uses the pass. Also, stored value cards will be introduced that allows the passenger to prepay for the trip and have the value of the trip deducted when they actually ride the bus. The focus of pass sales is to bring the passes to the customer, expedite transportation boarding and to improve schedule adherence.

In 2007-08 DDOT's farebox revenue was up 9% over the previous year. That trend is

expected to continue in 2008-09. The addition of transit police to make transportation safer, higher fuel costs, and more reliable service, are contributing to more passengers and increased revenues.

The new Rosa Parks Transit Center will provide a central transit location for passenger convenience that will include passenger information, and the sales of passes. Bus stops will have new signage and supplemental route information that will better serve customers. DDOT will expand its marketing and customer service activities to bring transit information and services to the customer. DDOT will conduct quarterly operational audits to address passenger complaints and ensure optimal customer service. Passengers will see more reliable bus service in the very near future.

DDOT is utilizing grant funding for capital projects such as the Rosa Parks Transit Center and facility improvements that will improve the work environment, productivity, and service reliability. DDOT will use grant funds to purchase 50 new buses. Also, grants will fund DDOT's Transit Policing Program that improves passenger safety and security.

Revenue initiatives include the following:

- Apply for \$46 million in grants.
- Enhance on-line (Internet) store for pass sales.
- Increase ridership by meeting customer demand and providing more reliable service.
- Increase ridership and revenue by providing express and limited stop routes.
- Develop new fare media (e.g., stored value cards) to increase farebox revenue and customer convenience.

## **DEPARTMENTAL BUDGET INFORMATION DEPARTMENT OF TRANSPORTATION (20)**

- Increase pass and fare media sales outlets to include locations open 24 hours per day and seven days a week.
- Promote and advertise transportation services and programs.
- Lease/Concession/Advertising revenue from retail space at the Rosa Parks Transit Center.

Cost saving initiatives include the following:

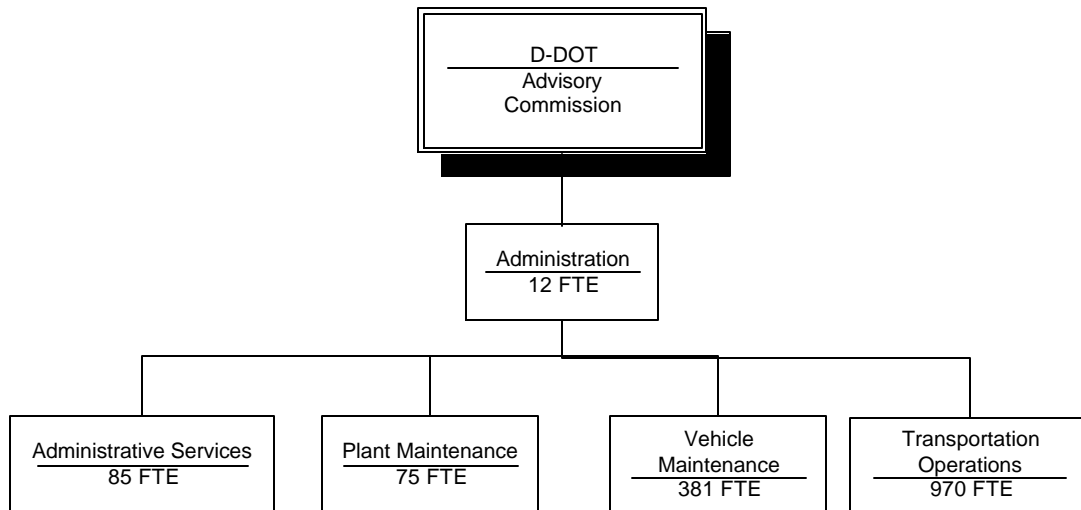
- Scheduling initiatives to make routes and service more efficient and reduce costs.
- Reduce maintenance downtime costs by adding a production planner and schedulers to coordinate the simultaneous availability of coaches, parts, and materials.
- Restructure inventory to include consolidation of the storerooms to reduce costs and ensure parts and material availability for maintenance when needed.
- Expansion of DDOT's risk management to mitigate safety risks and review workers compensation and long-term disability claims.
- Pursue claims against those causing damage to DDOT buses and property to include insurance subrogation.
- Perform midlife overhauls of older buses to improve service reliability.
- Increase preventative maintenance efforts to reduce equipment failures.
- Facility improvements such as new HVAC equipment, which will reduce maintenance, heating and electricity costs.
- Fuel savings from new Posi Lock system and HVAC equipment that will reduce fuel spillage and bus warm up time.
- Increased and improved safety training for TEOs to reduce accidents.

- Increased and improved mechanic training to attain certification and improve maintenance productivity.
- Continue to improve work processes to reduce waste and inefficiencies.
- Continuation of pre-employment screening program to upgrade entry level requirements and improve employee retention.
- Restructure ADA-Paratransit Program to improve service and reduce costs.
- Revise the Budget monitoring process to breakdown the Budget by units/cost centers and hold managers accountable for meeting budgeted labor hours and other budgeted parameters (e.g., X number of brake jobs).

### **PLANNING FOR THE FUTURE FOR FY 2008-09, FY 2009-10 and BEYOND**

DDOT buses will operate out of the new Rosa Parks Transit Center located at the corner of Michigan and Cass in 2008-2009. DDOT will improve its strategic planning to include long term operating and capital plans. The plans will focus on clean, reliable, safe, and customer-focused transit services for DDOT's service area. DDOT will be working on improving transit options to include rapid transit and express service linking Downtown, New Center, neighborhoods and points beyond. DDOT's Transit Policing Program will continue to provide safety and security to riders. DDOT seeks to improve its public image and become the preferred transit choice in the region.

**DEPARTMENTAL BUDGET INFORMATION  
DEPARTMENT OF TRANSPORTATION (20)**



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DEPARTMENT OF TRANSPORTATION (20)**

**PERFORMANCE GOALS, MEASURES AND TARGETS**

*ADMINISTRATION MEASURES AND TARGETS*

<b>Type of Performance Measure:</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
List of Measures	Actual	Actual	Projection	Target
<b>Inputs: Resources Allocated or Service Demands Made</b>				
Firms certified DBE	80	83	100	105
<b>Outputs: Units of Activity directed towards goals</b>				
Workers' Comp (WC) cases	101	89	85	80
<b>Outcomes: Results or Impacts of Program Activities</b>				
Number wheelchair bound passengers served	10,687	9,013	12,180	12,500
<b>Efficiency: Program Costs related to Units of Activity</b>				
Service efficiency: operating expense per revenue mile	\$11.82	\$12.26	\$12.39	\$12.89
Cost effectiveness: operating expense per passenger trip	\$4.78	\$5.20	\$4.99	\$4.83
Ratio of WC, LTD, S&A/total employees	14.94%	15.26%	14.79%	14.04%
Administration overtime	\$257,594	\$327,026	\$241,361	\$102,064
Farebox recovery percent of budgeted revenue	15.5%	16.2%	17.0%	17.6%
Other non-governmental sources of revenue	\$1,543,283	\$1,306,268	\$1,436,183	\$1,495,000

*PLANT MAINTENANCE AND CONSTRUCTION'S MEASURES AND TARGETS*

<b>Type of Performance Measure</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
List of Measures	Actual	Actual	Projection	Target
<b>Outputs: Units of Activity directed toward Goals</b>				
Number service calls per month	700	625	625	625
Plant Maintenance overtime	\$939,895	\$1,343,785	\$1,500,000	\$792,000

*VEHICLE MAINTENANCE MEASURES AND TARGETS*

<b>Type of Performance Measure:</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
List of Measures	Actual	Actual	Projection	Target
<b>Outputs: Units of Activity directed towards Goals</b>				
Vehicle maintenance overtime (wages)	\$4,341,261	\$5,145,995	\$5,300,000	\$3,900,000
<b>Outcomes: Results or Impacts of Program Activities</b>				
Number miles between road calls	3,312	3,958	4,200	4,600
<b>Efficiency: Program Costs related to Units of Activity</b>				
Maintenance cost per passenger	\$1.35	\$1.45	\$1.49	\$1.25

**DEPARTMENTAL BUDGET INFORMATION  
DEPARTMENT OF TRANSPORTATION (20)**

*TRANSPORTATION MEASURES AND TARGETS*

<b>Type of Performance Measure:</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
List of Measures	Actual	Actual	Projection	Target
<b>Outputs: Units of Activity directed towards Goals</b>				
Miles operated	17,903,159	18,018,154	18,000,000	18,000,000
Number of passengers	37,083,344	35,204,863	37,000,000	40,000,000
Actual vehicle revenue miles	14,991,033	14,918,836	14,918,836	15,000,000
Actual vehicle revenue hours	1,148,359	1,167,230	1,167,230	1,200,000
Number of miles between accidents (collisions)	25,068	29,212	30,000	31,000
<b>Efficiency: Program Costs related to Units of Activity</b>				
TEO (driver) overtime	\$ 6,313,511	\$6,556,890	\$6,800,000	\$6,000,000
Operations Division cost per passenger trip	\$2.52	\$2.69	\$2.76	\$2.39
Passengers per revenue mile	2.47	2.36	2.48	2.67
Passengers per revenue hour	32.29	30.16	31.70	33.33
<b>Activity Costs</b>	<b>\$105,464,533</b>	<b>\$115,419,705</b>	<b>\$77,763,803</b>	<b>\$88,026,440</b>

**DEPARTMENTAL BUDGET INFORMATION**  
**DEPARTMENT OF TRANSPORTATION (20)**

**EXPENDITURES**

	2006-07 Actual Expense	2007-08 Redbook	2008-09 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 63,415,168	\$ 62,679,631	\$ 67,298,367	\$ 4,618,736	7%
Employee Benefits	44,119,198	46,443,796	48,221,929	1,778,133	4%
Prof/Contractual	20,666,798	8,544,865	10,834,865	2,290,000	27%
Operating Supplies	25,945,207	14,028,000	22,060,103	8,032,103	57%
Operating Services	24,692,980	26,072,815	26,308,181	235,366	1%
Capital Equipment	11,172,064	3,000	-	(3,000)	-100%
Capital Outlays	3,008,991	-	-	-	0%
Fixed Charges	14,860,435	1,652,816	2,207,173	554,357	34%
Other Expenses	6,294,231	6,458,976	6,537,976	79,000	0%
<b>TOTAL</b>	<b>\$ 214,175,072</b>	<b>\$ 165,883,899</b>	<b>\$ 183,468,594</b>	<b>\$ 17,584,695</b>	<b>11%</b>
<b>POSITIONS</b>	<b>1,582</b>	<b>1,512</b>	<b>1,520</b>	<b>8</b>	<b>1%</b>

**REVENUES**

	2006-07 Actual Revenue	2007-08 Redbook	2008-09 Mayor's Budget Rec	Variance	Variance Percent
Rev from Use of Assets	\$ 1,125,749	\$ 1,335,000	\$ 1,435,000	\$ 100,000	7%
Grants/Shared Taxes	38,264,017	-	11,285,500	11,285,500	0%
Sales & Charges	79,426,029	80,539,593	82,302,628	1,763,035	2%
Contrib/Transfers	82,307,606	83,908,123	88,385,466	4,477,343	5%
Miscellaneous	180,517	101,183	60,000	(41,183)	-41%
<b>TOTAL</b>	<b>\$ 201,303,918</b>	<b>\$ 165,883,899</b>	<b>\$ 183,468,594</b>	<b>\$ 17,584,695</b>	<b>11%</b>

**DEPARTMENTAL BUDGET INFORMATION  
DEPARTMENT OF TRANSPORTATION (20)**

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